ITEM 7

Revitalizing CALFED Adoption of a 10-Year Action Plan

Action Item

California Bay-Delta Authority

December 8, 2005

Approach - Remain consistent with the ROD

- Keep the CALFED Mission
- Keep the original objectives:
 - Water quality Ecosystem restoration
 - Levee integrity Water supply reliability
- Keep the Solution Principles
- Results in a balanced CALFED Program

CALFED Solution Principles

- Reduce conflicts in the system
- Be equitable
- Be affordable
- Be durable
- Be implementable
- Have no significant redirected impacts

10 Year Action Plan — Contents

- 1. Governance
- 2. Program and fiscal management
- 3. Refocused CALFED Program and program priorities
- 4. Finance plan

1. Governance

GovernanceLittle Hoover Commission Recommendations

- Secretary for Resources state lead
- Restore the Policy Group
- Re-assign CBDA staff
- Establish a state/federal advisory committee
- Eliminate Authority board; Legislature to establish independent oversight body

Governance General Implementation

- Generally support LHC recommendations
- No sunset provision Secretary will certify federal agency participation
- Work with the Legislature to modify California Bay-Delta Authority Act

Governance Policy Group Implementation

- Re-establish the Policy Group
 - One state lead, one federal lead
 - Members are directors of state and federal agencies
 - Meet in public several times per year and before major decisions
 - Also meet in private

Governance Independent Oversight Implementation

- Eliminate the Authority Board
- Work with Administration to establish mechanism for independent oversight
 - LHC options for successor include joint select committee on CALFED or appointment of an inspector general with expert oversight body
 - Additional option is legislative appointments to state/federal advisory committee

Discussion of Governance

2. Program and Fiscal Management

Recommendations Little Hoover Commission

- Employ strategic management practices
- Provide annual progress reports and updated strategic plans
- Appoint lead scientist as member of CALFED executive team; retain and reform Independent Science Board
- Prepare annual report
- Build public awareness and public involvement
- Develop process & capacity for conflict resolution among stakeholders

Recommendations & Findings Department of Finance

- Improve fiscal tracking at state implementing departments
- Improve fiscal tracking at CBDA
- Inadequate staffing and funding
- Documents communicating performance often not clear, comprehensive or consistent
- Performance measures lacking for all program elements
- Problems with interagency coordination and prioritization

Recommendations & Findings KPMG Stakeholder Interviews

- Need to address inefficiencies in process
- Need for CALFED governance
- Need strategic vision for Delta
- Need specific methods for defining balance, measuring and evaluating outcomes
- Need for comprehensive communications plan
- Need for realistic set of priorities
- Need for common program and/or project management system

- Re-organize CBDA. Major functions include:
 - Strategic planning
 - Program and fiscal tracking
 - CALFED communications
 - Science
 - Administration
- Complete transition of Ecosystem Restoration Program to Department of Fish and Game

- Improve strategic planning
 - Improve program planning and annual reporting
 - Periodic updates on programs and projects
 - Regional planning integrated with Bulletin
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- Improve program management
 - Improve implementing agency accountability for each program element
 - Establish results-oriented performance measures
 - Improve program tracking and reporting
 - Improve business processes

- Improve Program communication
 - Develop a comprehensive crossagency communication strategy
 - Provide program, fiscal and performance information
 - Address diverse audiences including agencies, stakeholders, legislators and the public

- Improve fiscal management and tracking
 - Develop a common fiscal management and reporting system
 - Improve fiscal tracking with standard cost codes at the task level
 - Set up a common fiscal database to track expenditures
 - Improve accounting of local expenditures
 - Continue and improve cross-cut budget

- Science and adaptive management
 - Continue and improve adaptive management by integrating science into decision making
 - Continue to provide independent scientific review
 - Expand scientific knowledge of the Delta

Discussion of Program and Fiscal Management

3. Refocused CALFED Program and Program Priorities

Refocused CALFED Program and Program Priorities

- Shift some program elements to statewide focus
- Fund and implement major actions
- Studies needed for future decisions
- 100-Year Delta Vision process
- HCP and NCCP for Sac River, SJ River and Delta
- New environmental documentation

Refocused CALFED Program

CALFED Delta Focus

- ERP
- EWA
- Surface Storage
- Water Quality ELPH, Franks Tract, CVDWP, SJ River salinity reduction, Mercury, DO, toxicity
- Conveyance SDIP, Intertie, S. Delta Fish Protection studies, DCC/Thru-Delta studies
- Levees Delta Levees, Suisun Marsh, DRMS
- Science CBDA Science, IEP
- Interagency Coordination and Planning

Integrated Regional Water Management Focus

- Water Use Efficiency
- Groundwater Storage
- Conveyance Lower SJ
 River Flood Control Project
- Water Quality new treatment technology
- Transfers
- Working Landscapes
- Watershed

Fund & Implement Major Actions

- ERP actions to protect and restore pelagic organisms and other Delta dependent at-risk species
- Operable gates
- Delta levee subventions, Delta Risk Management Strategy (DRMS), and implementation plan and schedule for Delta levees.
- Delta Improvements Package (DIP) actions
- San Joaquin River salinity management
- Complete key studies for surface storage, regional Equivalent Level of Public Health (ELPH) plans, Frank's Tract Pilot and Delta Regional Ecosystem Restoration Implementation Plan (DRERIP)

Agency Commitment to Schedules for Future Activities

- Major actions identified by implementing agencies
- Implementing agencies develop realistic schedules and commit to them
- Actions and schedules are revised annually
- Program performance is evaluated based on schedules set by implementing agencies

Complete Studies for Future Decisions

- DRERIP
- ELPH plan synthesis
- Water quality modeling (Franks Tract, DCC, TDF)
- DRMS
- POD studies
- Synthesize information from all studies

100-Year Delta Vision

Develop a 100-year comprehensive vision for the Delta that includes water, agriculture, environment, transportation, infrastructure, flood control and land-use decisions

- Develop a collaborative open public process
- All related activities currently underway coordinated through a coordinating committee
- Framework completed by <u>December 2006</u>

Develop an HCP/NCCP

- Delta, Sacramento and San Joaquin watersheds
- Aquatic species and riparian species affected by water management
- Interim projects could move forward through normal permitting process
- Covered activities could include water project operations and related water management activities
- Other water related activities could potentially be added in HCP later
- Guided by science
- Would allow adaptive management

HCP & NCCP Process

- Participation is a voluntary method of complying with CESA and FESA
- Planning agreement completed in 2006
- Final HCP/NCCP prepared in 2-5 years
- HCP/NCCP prepared in coordination with Delta vision and with end-of-Stage 1 decisions

Discussion of Refocused CALFED Program and Program Priorities

4. Finance Plan

Years 6-8 Near-Term Funding Plan

Years 6-8 (2005-06 thru 2007-08)

Funding target

\$1billion (all funding sources)

Available funding

Approximately \$750 million

Proposed additional funding

\$250 million (all funding sources)

Years 6-8 Near-Term Funding Plan

- Additional state funding needed over the next 2 years
 - Appropriate remaining bond funds
 - \$42M water quality improvements
 - New General Fund requests
 - \$28M Levees and DRMS
 - \$6M Strategic planning Delta Vision, new environmental documents

Future Actions & Funding Ranges – Next 7 years

- Increased uncertainty starting in Year 9
- Wide range of funding scenarios depending on selected actions
- Funding ranges from \$2-6 billion

Additional Water User Contributions

- Draft proposal:
 - HCP/NCCP, \$3M/year for staff costs
 - Commitment to provide adequate resources for the EWA
 - ERP, \$6M/year for 2 years for capital restoration projects
 - POD studies, \$4M/year
 - Delta Vision, \$2M/year for 2 years

10 Year Action Plan Discussion of Finance Plan

10 Year Action Plan - Schedule

- December (BDPAC & Authority Meeting) —
 Recommend & approve Action Plan Framework
- January 10 Final Action Plan available for distribution

Year 5 CALFED Program Progress & Balance

Recommended Action: Adopt the CALFED Bay Delta Program 10-Year Action Plan Framework in substantially the form attached hereto, and request the Secretary for Resources to submit the Framework to the Governor for development of a full Plan, consistent with his May Revision directive

California Bay-Delta Authority

December 8, 2005